



AGENDA
PLANNING COMMISSION
of the
CITY OF HANFORD

COUNCIL CHAMBERS
400 N. Douty St.
5:30 PM, Tuesday, July 13, 2021

Commissioners will meet in person in the Council Chambers. The meeting will also be livestreamed on the City's website:
<http://livestream.hanford.city/>.

CALL TO ORDER

ROLL CALL

INVOCATION

FLAG SALUTE

PUBLIC COMMENT

*This is the time for citizens to comment on subject matters not on the agenda and that are within the jurisdiction of the Commission. This is also the public's opportunity to request an item from the Consent Calendar be pulled for discussion purposes or to comment on any item on the agenda. Comments related to Public Hearing items will be heard at the time the item is discussed. A maximum of **three minutes** is allowed for each speaker. Please begin your comments by stating your name and providing your city of residence.*

CONSENT CALENDAR

Consent Calendar items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made and then the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.

- 1. Approval of the Minutes of the May 11, 2021 Meeting**
- 2. Approval of the Minutes of the June 8, 2021 Meeting**

PUBLIC HEARING

Zone Text Amendment No. 2020-03: a request by the City of Hanford to amend Title 17, Section 17.08.030 – Commercial, Office, and Industrial Zone Use Table of the Hanford Municipal Code by adding Commercial Hemp Business (e.g., cultivation, manufacture, distribution, transportation, and lab testing) as a conditionally permitted use in the I-L Light Industrial and I-H Heavy Industrial zone district, and to add Hemp retailers (5% or more of a retailer’s business or gross receipts is derived from CBD sales) as a permitted use in C-S Service Commercial, C-H Highway Commercial, MX-C Corridor Mixed Use, and MX-D Downtown Mixed Use, and as a conditionally permitted use in C-R Regional Commercial. The amendment also includes an addition of Chapter 17.67, adding purpose and intent, definitions, and establishing the location of hemp retailers and commercial hemp businesses in the City of Hanford. Location: Citywide

GENERAL BUSINESS

DIRECTOR'S COMMENTS

COMMISSIONERS' ITEMS OF INTEREST

ADJOURNMENT

Materials related to an item on this Agenda submitted to the Planning Commission after distribution of the agenda packet are available to public inspection in the Planning Division Office located at 317 N. Douty Street, Hanford, California 93230, during normal business hours. Such documents are also available at the city's website, www.cityofhanfordca.com subject to staff's ability to post documents before the meeting.

If you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the Planning Division's office, 559-585-2580, 317 N. Douty Street, Hanford, California 93230, at least 2 days prior to the meeting {28 CFR 35.102.35.104 ADA Title II}

APPEALS:

Any action of the Planning Commission, which is a final project decision, may be appealed to the City Council by the applicant or any adversely affected person. To file an appeal, an appeal application and filing fee of \$1,000.00 must be submitted to the Community Development Department, 317 N. Douty Street, Hanford, California, within ten (10) days following the date of the final decision of the Planning Commission.



**AGENDA
STAFF REPORT**

MEETING DATE: 7/13/2021	AGENDA SECTION: 1
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SUBJECT:

Approval of the Minutes of the May 11, 2021 Meeting

RECOMMENDATION:

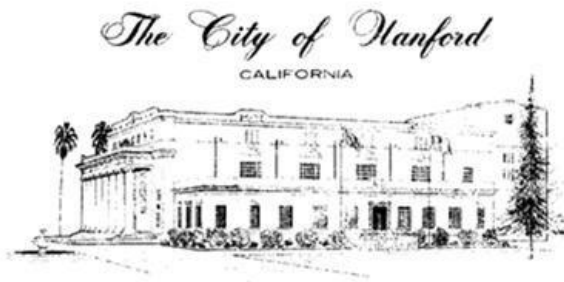
Approve the mMinutes of the May 11, 2021 meeting.

FISCAL IMPACT:

Approve the Minutes of the May 11, 2021 Meeting

ATTACHMENTS:

05-11-21



MINUTES
PLANNING COMMISSION
of the
CITY OF HANFORD

COUNCIL CHAMBERS
400 N. Douty Street
5:30 p.m., Tuesday, May 11, 2021

CALL TO ORDER

Chairperson SANCHEZ called the meeting to order at 5:30 p.m.

ROLL CALL

Attendee Name	Title	Status	Arrived
Richard Douglas		Present	
Travis Paden		Present	
Martin Devine		Present	
Roger Snow		Absent	
Jacob Sanchez		Present	
Jason Kemp Van Ee		Present	
Parmbir Johal		Absent	

INVOCATION

Diana Black led the invocation.

FLAG SALUTE

Commissioner PADEN led the flag salute.

PUBLIC COMMENT

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Jack Schwartz, Hanford resident and president of the Carnegie Museum of Kings County, asked if the museum is designated surplus, would it be designated to remain a museum, or would other uses be allowed. He stated that the Carnegie Museum board would prefer that it would be a museum in keeping with history.

CONSENT CALENDAR

Consent Calendar items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made and then the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.

Approval of the Minutes of the March 23, 2021 Meeting

Motion to approve the minutes of the March 23, 2021 meeting.

PUBLIC HEARING

- 1. Annexation No. 157: A request to annex 149.5 acres into the City of Hanford from the Kings County jurisdiction. Prezone No. 2020-02: A request to prezone the annexation area as R-H High-Density Residential, R-M Medium-Density Residential, and R-L-5 Low-Density Residential, in accordance with the General Plan designation for the area. Mitigated Negative Declaration No. 2021-01: An initial study was prepared and it was determined that the project will not result in significant impacts; therefore, Mitigated Negative Declaration 2021-01 has been prepared. The project is located at the northwest corner of 12th Avenue and Fargo Avenue (APN 009-020-021, 009-020-023 through -026, 009-020-046, and 009-020-047).**

Chairperson SANCHEZ opened the public hearing and called for the staff report. Senior Planner Myers presented the staff report, noting that on agenda packet page 56, a signature was missing on one of the Consent to Annex forms. She stated that staff did receive the signature, and copies of the corrected form have been provided to the Commissioners and will be forwarded to City Council. Staff recommended that 1) the Planning Commission recommend adoption of Mitigated Negative Declaration No. 2021-01 to City Council; 2) adopt Resolution 2021-05, and 3) find Annexation 157 consistent with the General Plan and forward to City Council, recommending that an application be made to the Local Agency Formation Commission (LAFCO) of Kings County. She then invited questions of staff.

There being no questions, Chairperson SANCHEZ opened Public Comment:

IN FAVOR

John Zumwalt, of Zumwalt-Hansen, representing the applicant, agreed with everything in the staff report. He pointed out lots not included in the project, and encouraged approval of the project.

OPPOSED

Hanford resident Peter Verhoeven indicated an area outside the proposed annexation and asked if it could be developed before the 320 acres.

Senior Planner Myers replied to Mr. Verhoeven's question, stating that should the area be annexed, the development would be subject to review by the Planning Commission. It would entail a tentative tract map and a final map. If that did proceed before anything is received for development of the east side of 12th Avenue, then the project would be development prior to this area.

Chairperson SANCHEZ closed Public Comment and invited Commissioners' questions.

Chairperson SANCHEZ, noting that the Kings County LAFCO map does not include this area in its primary sphere of influence, asked if an amendment to the primary sphere of influence would be required. Ms. Myers

showed on the screen the proposed sphere-of-influence expansion and stated that City Council directed staff to request the expansion from LAFCO. She further stated that this project would not move forward, or be recorded, until this expansion has been completed, and that would be a condition of approval of the annexation.

Commissioner PADEN asked if the annexation could proceed without the consent of those landowners. Ms. Myers replied that it would be LAFCO's decision whether to approve the annexation without those properties or not. Commissioner PADEN then asked if the property owners were notified that their property was planned (in the General Plan) for annexation. Ms. Myers replied that these properties were included in the General Plan, even prior to the current General Plan. City Attorney Ty Mizote concurred with Ms. Myers' comments. He noted that the City met the legal requirements for noticing, as notice was published in the *Hanford Sentinel*, and he stated that individual landowners were not notified regarding the General Plan Update.

Commissioner KEMP VAN EE asked for clarification regarding Mr. Verhoeven's property and other areas of annexation. John Zumwalt provided background information on an annexed area contiguous to the proposed annexation.

Todd Neves received permission to speak, stating that he is a fourth generation Hanford resident, and he is not looking to make a quick sale.

Motion to recommend adoption of Mitigation Negative Declaration No. 2021-01 for the project to the City Council.

RESULT:	APPROVED [3 TO 2]
MOVER:	Richard Douglas
SECONDER:	Martin Devine, Commissioner
AYES:	Douglas, Devine, Sanchez
NAYS:	Paden, Kemp Van Ee
ABSENT:	Snow, Johal

2. Motion

Motion to adopt Resolution 2021-05, recommending approval of Prezone No. 2020-02 (as amended) to the City Council.

RESULT:	APPROVED [3 TO 2]
MOVER:	Richard Douglas
SECONDER:	Martin Devine, Commissioner
AYES:	Douglas, Devine, Sanchez
NAYS:	Paden, Kemp Van Ee
ABSENT:	Snow, Johal

3. Motion

Motion to find that the proposed Annexation 157 (as amended) is consistent with the Hanford General Plan Policies L15 and L17 and forward Annexation No. 157 to the City Council, with a recommendation that an application be made to the Local Agency Formation Commission (LAFCO) of Kings County.

RESULT:	FAILED [2 TO 3]
MOVER:	Richard Douglas
SECONDER:	Martin Devine, Commissioner
AYES:	Douglas, Devine
NAYS:	Paden, Sanchez, Kemp Van Ee
ABSENT:	Snow, Johal

GENERAL BUSINESS

4. Finding of General Plan Consistency for the declaration of surplus and disposition of real city property for the future use of a museum, located at 109 E. Eighth Street (APN 012-041-017).

Senior Planner Myers presented the staff report. In response to Mr. Schwartz's earlier public comment regarding the possibility of limiting the sale or lease of the property to use of a historic nature, Ms. Myers deferred to City Attorney Mizote. He stated that any limitations would be those limited by the zoning ordinance, and the City Council can establish limitations if/when they sell or lease the building. Ms. Myers recommended a finding of consistency and welcomed questions of staff.

Senior Planner Myers and City Attorney Mizote answered Commissioners' questions. Commissioner PADEN asked questions of Mr. Schwartz, who provided some information of the Carnegie Board's intent. City Attorney Mizote reviewed the Commission's purview regarding the project.

Motion to find that the declaration of surplus and disposition of the property for use as a museum is consistent with the General Plan, adopted April 24, 2017, in accordance with Government Code Section 65402.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Travis Paden, Martin Devine
AYES:	Douglas, Paden, Devine, Sanchez, Kemp Van Ee
ABSENT:	Snow, Johal

5. Finding of General Plan Consistency for the declaration of surplus and disposition of real city property for the future use of a building materials and supply or home improvement store, located at 426 W. Lacey Boulevard (APN 010-253-001).

Senior Planner Myers presented the staff report and answered questions of staff.

Motion to find the declaration of the property as surplus and disposition of the property for use as a building materials and supply or home improvement store is consistent with the 2035 General Plan, adopted April 24, 2017, in accordance with Government Code Section 65402.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Martin Devine, Commissioner
SECONDER:	Richard Douglas
AYES:	Douglas, Paden, Devine, Sanchez, Kemp Van Ee
ABSENT:	Snow, Johal

DIRECTOR'S COMMENTS

Senior Planner Myers stated that the next meeting would be canceled.

COMMISSIONERS' ITEMS OF INTEREST

Commissioner PADEN asked for an update on the KART station. Senior Planner Myers replied that a Request For Proposals (RFP) was sent, and that should be closing soon. She stated that they had originally proposed a three-story building; due to insufficient funding, it will be one story. Commissioner PADEN then asked for an update on the two new hotels that were approved. Ms. Myers replied that staff received the building permit submittal for the Hampton Inn (near Tractor Supply) yesterday. She did not have an update for the other hotel.

Commissioner DEVINE inquired as to the status of the new building by Baskin-Robbins. Ms. Myers replied that it is still American Tire. Their building permits have not expired, and they are still moving forward.

Commissioner KEMP VAN EE asked what the former Blueberry Hill restaurant will be. Ms. Myers stated that it will be a second location for Figaro's.

ADJOURNMENT

Chairperson SANCHEZ adjourned the meeting at 6:42 p.m.

Respectfully submitted,

Diana Black
Recording Secretary

Attachment: 05-11-21 (05-11-21 PC Minutes)



**AGENDA
STAFF REPORT**

MEETING DATE: 7/13/2021

AGENDA SECTION: 2

SUBJECT:

Approval of the Minutes of the June 8, 2021 Meeting

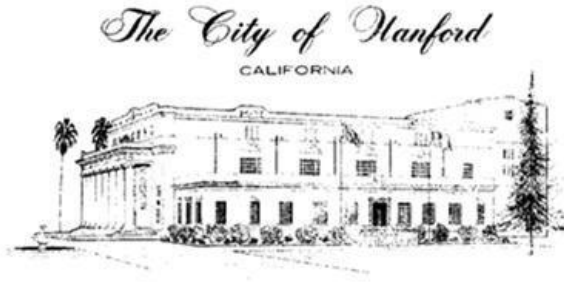
RECOMMENDATION:

Approve the minutes of the June 8, 2021 meeting.

FISCAL IMPACT:

ATTACHMENTS:

06-08-21



MINUTES
PLANNING COMMISSION
of the
CITY OF HANFORD

COUNCIL CHAMBERS
400 North Douty St.
5:30 p.m., Tuesday, June 8, 2021

CALL TO ORDER

Both Chairperson SANCHEZ and Vice-Chair KEMP VAN EE being absent, Commissioner DOUGLAS presided as chair and called the meeting to order at 5:30 p.m.

ROLL CALL

Attendee Name	Title	Status	Arrived
Richard Douglas		Present	4:47 PM
Travis Paden		Present	4:43 PM
Martin Devine		Present	4:44 PM
Roger Snow		Absent	
Jacob Sanchez		Absent	
Jason Kemp Van Ee		Absent	
Parmbir Johal		Present	4:42 PM

INVOCATION

Pastor Bud Haskell, Grace Bible Church, led the Invocation.

FLAG SALUTE

Commissioner PADEN led the flag salute.

PUBLIC COMMENT

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There were no public comments.

Attachment: 06-08-21 (06-08-21 PC Minutes)

CONSENT CALENDAR

Consent Calendar items are considered routine and will be enacted in one motion. There will be no separate discussion of these matters unless a request is made and then the item will be removed from the Consent Calendar to be discussed and voted upon by a separate motion.

There were no items for the Consent Calendar.

GENERAL BUSINESS

Five Year (FY22-26) Capital Improvement Plan (CIP) Finding of Consistency with the General Plan, in accordance with California Government Code Section 65401

Senior Planner Myers provided an overview of the FY22-26 CIP, recommended a finding of consistency with the General Plan, and invited questions of staff. There were no questions.

Commissioner DOUGLAS called for a motion.

Motion to find that the Five-Year (2022-2026) Capital Improvement Plan (CIP) is consistent with the City of Hanford's General Plan, pursuant to Government Code Section 65401.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Travis Paden
SECONDER:	Martin Devine
AYES:	Douglas, Paden, Devine, Johal
ABSENT:	Snow, Sanchez, Kemp Van Ee

DIRECTOR'S COMMENTS

No comments.

COMMISSIONERS' ITEMS OF INTEREST

No Items of Interest.

ADJOURNMENT

Commissioner DOUGLAS adjourned the meeting at 5:40 p.m.

Respectfully submitted,

Diana Black
Recording Secretary

Attachment: 06-08-21 (06-08-21 PC Minutes)



AGENDA STAFF REPORT

MEETING DATE: 7/13/2021	AGENDA SECTION:
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SUBJECT:

Zone Text Amendment No. 2020-03: a request by the City of Hanford to amend Title 17, Section 17.08.030 – Commercial, Office, and Industrial Zone Use Table of the Hanford Municipal Code by adding Commercial Hemp Business (e.g., cultivation, manufacture, distribution, transportation, and lab testing) as a conditionally permitted use in the I-L Light Industrial and I-H Heavy Industrial zone district, and to add Hemp retailers (5% or more of a retailer's business or gross receipts is derived from CBD sales) as a permitted use in C-S Service Commercial, C-H Highway Commercial, MX-C Corridor Mixed Use, and MX-D Downtown Mixed Use, and as a conditionally permitted use in C-R Regional Commercial. The amendment also includes an addition of Chapter 17.67, adding purpose and intent, definitions, and establishing the location of hemp retailers and commercial hemp businesses in the City of Hanford. Location: Citywide

See staff report, attached.

FISCAL IMPACT:

ATTACHMENTS:

Planning Commission Staff Report - Hemp
Resolution No. 2021-06
Attachment 1 - Draft Hemp Ordinance
Attachment 2 - Notice of Exemption

**CITY OF HANFORD PLANNING COMMISSION
STAFF REPORT
Tuesday, July 13, 2021**

PROJECT: **Zone Text Amendment No. 2020-03:** a request by the City of Hanford to amend Title 17, Section 17.08.030 – Commercial, Office, and Industrial Zone Use Table of the Hanford Municipal Code by adding Commercial Hemp Business (e.g., cultivation, manufacture, distribution, transportation, and lab testing) as a conditionally permitted use in the I-L Light Industrial and I-H Heavy Industrial zone district, and to add Hemp retailers (5% or more of a retailer's business or gross receipts is derived from CBD sales) as a permitted use in C-S Service Commercial, C-H Highway Commercial, MX-C Corridor Mixed Use, and MX-D Downtown Mixed Use, and as a conditionally permitted use in C-R Regional Commercial. The amendment also includes an addition of Chapter 17.67, adding purpose and intent, definitions, and establishing the location of hemp retailers and commercial hemp businesses in the City of Hanford.

LOCATION: Citywide

PLANNER: Gabrielle Myers, Senior Planner

STAFF RECOMMENDATION

Staff recommends that the Planning Commission:

1. Adopt Resolution No. 2021-06, recommending approval of Zone Text Amendment No. 2020-03 to the City Council.

RECOMMENDED MOTION

1. I move to adopt Resolution No. 2021-06, recommending approval of Zone Text Amendment No. 2020-03 to the City Council.

PROJECT DESCRIPTION

The project is a request to amend Title 17, Section 17.08.030 and 17.67 of the Hanford Municipal Code, in order to address retail of hemp products and commercial hemp activities.

The proposed additions are shown in **bold**, as follows:

1. Amending Table 17.08.030 Commercial, Office, and Industrial Zone Use Table to add commercial hemp businesses and hemp retailers to the Table.
 - a. Adding Commercial hemp business (e.g., cultivation, manufacture, distribution, transportation, and lab testing) as a conditionally permitted use in the I-L Light Industrial and I-H Heavy Industrial zone district.

Commercial, Office, and Industrial Use Table															
P = Use is Permitted by Right C = Use Requires Conditional Use Permit A = Use Requires Administrative Use Permit T = Use Requires Temporary Use Permit Blank = Use is Not Allowed															
Land Uses		Commercial Zones				Mixed Use Zones			Industrial and Office Zones				Other Zones		
		C-N	C-R	C-S	C-H	MX-N	MX-C	MX-D	O-R	O	I-L	I-H	AP	PF	CO
D12	Commercial hemp business (e.g., cultivation, manufacture, distribution, transportation, and lab testing)										C	C			
		Specific Land Use Standards (See identified Section)													
		See Chapters 5.68 and 17.67													

- b. Adding hemp retailer (5% or more of retailer's business or gross receipts is derived from CBD sales) as a permitted use in C-S Service Commercial, C-H Highway Commercial, MX-C Corridor Mixed Use and MX-D Downtown Mixed Use and as a conditionally permitted use in C-R Regional Commercial zone district.

Commercial, Office, and Industrial Use Table															
P = Use is Permitted by Right C = Use Requires Conditional Use Permit A = Use Requires Administrative Use Permit T = Use Requires Temporary Use Permit Blank = Use is Not Allowed															
Land Uses		Commercial Zones				Mixed Use Zones			Industrial and Office Zones				Other Zones		
		C-N	C-R	C-S	C-H	MX-N	MX-C	MX-D	O-R	O	I-L	I-H	AP	PF	CO
I33	Hemp retailer (5% or more of a retailer's business or gross receipts is derived from CBD sales)		C	P	P		P	P							
		Specific Land Use Standards (See identified Section)													
		See Chapters 5.68 and 17.67													

- c. Adding Chapter 17.67 to the Hanford Municipal Code to address commercial hemp-related use and activity.

CHAPTER 17.67

COMMERCIAL HEMP-RELATED USE AND ACTIVITY

- 17.67.010** **Purpose and Intent**
- 17.67.020.** **Definitions**
- 17.67.030** **Location of hemp retailers and commercial hemp businesses.**

17.67.010. Purpose and Intent.

The purpose of this chapter is to further fulfill the purposes and intents set forth in Chapter 5.68 of the Hanford Municipal Code. No person shall operate a commercial hemp business without first obtaining a conditional use permit and complying with all the requirements of Chapter 5.68 of the Hanford Municipal Code and complying with all applicable State law requirements.

17.67.020. Definitions

Unless otherwise provided herein, the terms used in this chapter shall have the meanings ascribed to them in Chapter 5.68 of the Hanford Municipal Code.

17.67.030. Location of hemp retailers and commercial hemp businesses.

- A. In cases in which five percent (5%) or more of a retailer's business or gross receipts is derived from the sale of hemp in the form of CBD products, such retailers will be a permitted use only in Service Commercial (C-S), Highway Commercial (C-H), Corridor Mixed Use (MX-C), and Downtown Mixed Use (MX-D) zone districts and shall be a conditional use only in Regional Commercial (C-R) zone districts. In cases in which less than five percent (5%) of a retailer's business or gross receipts is derived from the sale of hemp in the form of CBD products, such retailers shall be allowed in zone districts as other retail uses in accordance with Section 17.08.030.**
- B. Commercial hemp businesses shall be permitted only in Heavy Industrial (I-H) and Light Industrial (I-L) zone districts.**

An ordinance addressing standards and Regulations for Commercial Hemp Activity is also being added to the Municipal Code, Chapter 5.68. **See Attachment 1.**

Chapter 5.68 is outside of Title 17 Zoning and will therefore be evaluated by the City Council.

BACKGROUND INFORMATION

Hemp Background:

Hemp is a close genetic relative to cannabis, it is indistinguishable in appearance from cannabis and produces an identical odor, although it contains significantly lower concentrations of the psychotropic substance THC and therefore is of little value as a recreational drug. The odor of hemp triggers nuisance concerns, however, and nuisance prevention and abatement are within the purview of local governments. Hemp must contain less than 0.3% of THC to be considered hemp. If level is exceeded, the entire crop must be destroyed.

Senate Bill 531, the Industrial Hemp Act of 2019, brought California into conformity with the Federal Agricultural Improvement Act of 2018 (Public Law 115-334), also known as the 2018 Federal Farm Bill. The 2018 Federal Farm Bill ended decades of restrictive federal law with respect to hemp by removing it from the list of federally prohibited Schedule 1 substances and transferring federal oversight of hemp production from the U.S. Drug Enforcement Agency to the Agricultural Marketing Service within the U.S. Department of Agriculture.

With the Industrial Hemp Act of 2019, the California Legislature signaled its intent to allow large-scale industrial production of hemp by directing the Secretary of the California Department of Food and Agriculture to craft a state plan for such production, in consultation with the Governor and the Attorney General, and to submit that plan to the U.S. Secretary of Agriculture. At a minimum, this plan will include a scheme for licensing and registration of industrial hemp businesses within the State of California. The purpose of establishing a hemp ordinance is to complement the state plan by establishing a local regulatory scheme to work in concert with that to be established at the state level.

There is strong and growing commercial interest in the industrial production of CBD oil from the hemp plant, intended for human consumption. The intent of developing a hemp ordinance is to provide a scheme for local regulation to address potential nuisance conditions that may arise from hemp cultivation and other commercial activities, and to protect public health and safety by creating a local regulatory scheme to enforce state law with respect to hemp products manufactured for human consumption.

Timeline:

2019:

In 2019, staff began receiving several inquiries regarding cultivating hemp and the manufacturing and selling hemp products. At that time, there was not a State or Federal regulatory process in place for industrial hemp, although the State of California was in the process of working on regulations for cultivation, in association with an established research institution. At the time, the regulations were vague and did not size, location or odor control of industrial hemp cultivation. City staff determined that the locations where hemp could potentially be cultivated outdoors or manufactured would create significant impacts to the surrounding area, without regulation.

Industrial Hemp is defined in Section 81000 of the California Food and Agricultural Code as follows, "a fiber or oilseed crop, or both, that is limited to types of the plant Cannabis Sativa L. having no more than three-tenths of one percent tetrahydrocannabinol (THC) contained in the dried flowering tops, whether growing or not; the seeds of the plant; the resin extracted from any

part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin produced therefrom”.

Additionally, there were not regulations for the manufacturing of hemp oil from industrial hemp and manufacturing other products from hemp oil. Given there was not regulatory framework that requires testing of hemp oil and hemp oil products, at the time, and no ability for the City to verify the source of hemp or hemp oil and whether the products are truly hemp derived with limited THC, staff recommended that the manufacturing of these products be restricted until more was known or there was a regulatory structure that included testing to ensure hemp met the requirement of containing less than .3% THC.

On May 7, 2019, the City Council adopted Ordinance No. 19-05, an Urgency Ordinance restricting the commercial cultivation and manufacturing of industrial hemp (CBD) products in all zones. The purpose of this urgency ordinance was to establish a temporary moratorium on the cultivation and manufacturing of industrial hemp and the manufacturing and sale of products derived from industrial hemp., including cultivation by “Established Agricultural Research Institutions” as defined by California Food and Agricultural Code Section 810000 (c) , while City staff and legal counsel determined the impacts of unregulated cultivation of industrial hemp and the manufacturing of hemp products in the City of Hanford and prepared reasonable regulations to mitigate impacts from these businesses.

2020:

On June 2, 2020, the Urgency Ordinance No. 19-05 was extended for a 12-month period to July 5, 2021 to allow additional time to work with a consultant and develop an ordinance.

2021:

On April 6, 2021, the draft hemp ordinance was presented to the Council as a study session item to receive direction regarding the designation of zones to allow commercial hemp activities and retail and signage direction.

City Council directed staff to allow commercial hemp activities, including cultivation, manufacturing, distribution, transportation, and lab testing as a conditionally permitted use in the I-L Light and I-H Heavy Industrial zone districts.

No person may engage in any commercial hemp business or in any commercial hemp activity within the City, including cultivation, labeling, manufacturing, packaging, processing, laboratory testing, transporting, distribution, or wholesale sale of hemp or a hemp product unless the person: (1) applies for and successfully obtains a conditional use permit from the City pursuant to Chapter 17.80; (2) has a valid State of California Seller’s Permit, if applicable; (3) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial hemp business and the commercial hemp activities, including the duty to obtain any required state licenses; and (4) satisfies other City and State of California requirements for the operation of a business, including, without limitation, obtaining and maintaining a City-issued business license and payment of applicable business license taxes.

No conditional use permit shall be issued for outdoor hemp cultivation, which is prohibited. It is a violation of the hemp ordinance for any person to engage in any outdoor hemp cultivation of any kind.

Commercial Hemp Regulations

Commercial hemp business operations must be zoned in accordance with Hanford Municipal Code 17.67 and must meet all of the requirements for development in these zones. The hemp businesses must also meet all of the following distance requirements:

1. It shall be no closer than six hundred (600) feet from any parcel in the City on which a use that is designated by Business and Professions Code 26054(b) as a sensitive use or any of the following uses:
 - a. A school providing instruction in kindergarten or any grades 1 through 12, (whether public, private, or charter, including pre-school, transitional kindergarten, and K-12);
 - b. A commercial daycare center licensed by the State, County or City or that is in existence at the time the license is issued, unless the State licensing authority specifies a different radius.
 - c. A youth center.

The distance measured shall be the distance measured in a straight line from the parcel on which the sensitive use exists to the closest property line of the lot on which the hemp business is will be. The existence of nearby uses shall be determined at the time a commercial hemp business permit application is submitted to the City.

2. It shall be no closer than two hundred fifty (250) feet of any residentially zoned parcel in the City, including any legal non-conforming residential uses as of the date a commercial hemp business's conditional use permit application is deemed complete. The distance between the hemp business and the residential parcel shall be measured in a straight line from the residential parcel to the closest property line of the lot on which the hemp business is will be. Properties that are zoned for mixed use shall not be considered residentially zoned.

The distance between parcels shall be the horizontal distance measured in a straight line from any property line of the sensitive use to the closest property line of the lot on which the commercial hemp business is to be located, without regard to any intervening structures. The distance requirements in this chapter shall only be applicable with respect to properties located in the City's limits, unless otherwise required by State law. The distance requirements shall not be applicable with respect to any property located outside the City limits.

General Operating Requirements for Conditional Use Permits:

- A. Commercial hemp businesses may operate only during the hours specified in the conditional use permit issued by the City.
- B. No hemp or hemp products or graphics depicting hemp or hemp products shall be visible from the exterior of any property issued a conditional use permit, or on any of the vehicles owned or used as part of the commercial hemp business; provided however, words, such as "CBD" and "Hemp" are permitted on signage.
- C. No outdoor storage of hemp or hemp products is permitted at any time.

- D. Reporting and tracking of product and of gross sales. Each commercial hemp business shall have in place, as may be required by the state, a point-of-sale or management inventory tracking system to track and report on all aspects of the commercial hemp business, including, but not limited to, hemp tracking, inventory data, gross sales (by weight and by sale) and other information which may be required by the state. Such information shall be provided by to the City promptly upon the City's request, which the City shall utilize to confirm a commercial hemp business's compliance with this Chapter.
- E. All hemp and hemp products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with state and local regulations.
- F. Hemp material and testing. All hemp processed at a commercial hemp business within the City shall be sourced from a lawful source in compliance with federal and state regulations. In addition, all hemp shall be tested for compliance with federal THC potency restrictions. Testing shall occur in a manner consistent with requirements established by the state.
- G. Waste. All hemp waste will be properly disposed of in compliance with applicable laws. Any hemp, hemp extracts, or hemp products that exceed the threshold of THC concentration under the definition of hemp will follow a separate waste stream in compliance with state laws.
- H. Emergency Contact. Prior to the commencement of operations, each commercial hemp business shall provide the Hanford Police Department with the name, telephone number (both land line and mobile, if available) of at least two on-site employees or key participants to whom emergency notice can be provided at any hour of the day. Commercial hemp businesses shall promptly provide updated contact information to the Hanford Police Department whenever a change in such information occurs.
- I. Odor Control. Odor control devices and techniques shall be incorporated in all commercial hemp businesses to ensure that odors from hemp are not detectable off-site. Commercial hemp businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the commercial hemp business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial hemp business. As such, commercial hemp businesses must install and maintain the following equipment, or any other equipment which the Community Development Director or his/her designee(s) determine is a more effective method or technology:
 - 1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally; and
 - 2. An air system that creates negative air pressure between the commercial hemp business's interior and exterior, so that the odors generated inside the commercial hemp business are not detectable on the outside of the commercial hemp business.

- J. Display of City Business License. Each commercial hemp business shall post its city issued business license at its premises in a location readily visible to the public.

Operating Requirements for a Cultivation Facility Operation:

- A. Outdoor hemp cultivation is prohibited.
- B. In no case shall hemp plants be visible from a public or private road, sidewalk, park, any common public viewing area, or adjacent property.
- C. Hemp cultivation shall be conducted in accordance with federal, state and local laws related to land use, grading, electricity, water usage, water quality, habitat protection, agricultural discharges, and similar matters.
- D. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from all causes, including pests and rodents.
- E. The cultivation of hemp shall, at all times, occur in such a way as to: (i) ensure the health, safety, and welfare of the public, the employees working at the commercial hemp business, visitors to the area, neighboring properties, and the end users of the hemp being cultivated; (ii) protect the environment; (iii) ensure the security of the hemp being cultivated; and (iv) safeguard against the diversion of hemp.
- F. All applicants for a conditional use permit for cultivation shall submit the following in addition to the information generally otherwise required for a commercial hemp business:
 - 1. A description of a legal water source, and projected water use.
 - 2. Identification of the source of electrical power, projected electricity usage, and plan for compliance with applicable Building Codes and related codes.
 - 3. Plan for addressing odor and other potential public nuisances that may derive from the cultivation site.

Operating Requirements for Distributors:

- A. A distributor shall not store non-hemp goods or non-hemp accessories that are to be sold to another party on any permitted premises. Additionally, a distributor shall not distribute non-hemp goods or non-hemp accessories at its permitted premises. For the purposes of this section, non-hemp goods are any goods that are not derived from hemp.
- B. A distributor shall ensure that all hemp goods batches are stored separately and distinctly from other hemp goods batches on the distributor's premises.
- C. After taking physical possession of a hemp goods batch, the distributor shall contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing. A key participant or an employee of the commercial hemp business shall be physically present to observe the laboratory employee obtain the sample of hemp goods for testing and shall ensure that the increments are taken from throughout the batch. The distributor shall

ensure that the batch size from which the sample is taken meets the requirements of state law, specifically the testing provisions within Section 81006, et seq., of the Food and Agriculture Code.

- D. A distributor shall not transport hemp or hemp products to a permitted retail facility until and unless it has verified that the hemp or hemp products have been tested and certified by a testing lab as being in compliance with state health and safety requirements pursuant to Section 81006, et seq., of the Food and Agriculture Code.

Operating Requirements for Testing Labs:

- A. Testing labs shall be required to conduct all testing in a manner compliant with state law, and as state law may be subsequently amended by the state plan for industrial hemp production.
- B. Testing labs shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.
- C. Testing labs shall destroy any harvest batch whose testing sample indicates non-compliance with state health and safety standards required by the Bureau of Cannabis Control unless remedial measures can bring the hemp or hemp products into compliance with quality standards as specified by law.
- D. Except as provided by state law, a testing laboratory shall not acquire or receive hemp or hemp products except from a licensee in accordance with state law, and shall not distribute, sell, or dispense hemp, or hemp products, from its location or from the licensed premises from which the hemp or hemp products were acquired or received. All transfer or transportation shall be performed pursuant to the State specified chain of custody protocol.

Operating Requirements for Hemp Manufacturing: Edibles and Other Hemp Products; Sale or Distribution of Edible and Other Hemp Products:

- A. Any compressed gases used in the manufacturing process shall not be stored on any property within the City in containers that exceeds the amount, including number of tanks, approved by the City's Fire Chief or his/her designee and authorized in the commercial hemp business permit.
- B. Hemp manufacturing facilities may use heat, screens, presses, steam distillation, ice water, ethanol and other methods approved by the City to create manufactured hemp products. Except as expressly allowed by this Chapter, the use of solvents or gases in the manufacturing process is prohibited.
- C. If an extraction process uses a professional grade closed loop CO₂ gas extraction system (that has been approved by the City of Hanford Fire Chief), every vessel must be certified by the manufacturer for its safe use as referenced in Section 5.68.180.D. Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.

- D. Certification from a mechanical engineer licensed by the State of California, or by a certified industrial hygienist, must be provided to the Community Development Department for a professional grade closed loop system used by any commercial hemp manufacturer confirming that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:
 - 1. The American Society of Mechanical Engineers (ASME);
 - 2. American National Standards Institute (ANSI);
 - 3. Underwriters Laboratories (UL); or
 - 4. The American Society for Testing and Materials (ASTM).
- E. Professional closed loop systems and any other equipment and facilities used for the extraction operation must be approved for their use by the City and meet any required fire, safety, and building code requirements specified in the California Building and Fire Codes.
- F. Hemp manufacturing facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. Ethanol shall be removed from the extract in a manner to recapture it and ensure that it is not vented into the atmosphere.
- G. Hemp manufacturing facilities creating hemp extracts must develop and obtain the City's approval of standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.
- H. Any person using solvents or gases in a closed looped system to create hemp extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets, and must handle and store the solvents and gases safely.
- I. Solvent and gas concentrations in finished extract cannot exceed state standards when quality assurance tested.

Council directed staff to permit limited CBD sales within all commercial and mixed-use zone districts. An example of limited CBD sales would be CVS, which sells CBD products, but CBD-product sales do not account for more than five percent (5%) of their gross receipts.

Further CBD sales, above the five percent limitation, were directed to be allowed wherever tobacco or smoke shops were permitted. Therefore, hemp retailer (5% or more of a retailer's business or gross receipts is derived from CBD sales) is requested to be added as a permitted use in C-S Service Commercial, C-H Highway Commercial, MX-C Corridor Mixed Use, and MX-D Downtown Mixed Use and as a conditionally permitted use in C-R Regional Commercial.

Operating Requirements for Store Front/Retail Facilities:

- A. All hemp retailers are required to obtain a business license issued by the City.
- B. Hemp retailers are expressly prohibited from accepting, selling, providing, storing or transporting any cannabis or cannabis products. Furthermore, in cases in which five percent (5%) or more of a retailer's business or gross receipts is derived from the sale of hemp in the form of CBD products, the retailer shall not cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the retailer's premises.
- C. Prior to beginning operations, retailers must be in compliance with all state regulations governing the sales of hemp and hemp products.

The City's proposed hemp ordinance was developed in order to implement the provisions of Senate Bill 531, the Industrial Hemp Act of 2019. The ordinance complements the State plan, by establishing a local regulatory scheme to work in concert with what is established at the state level. The drafted hemp ordinance allows for regulation of hemp nuisances such as odor and restricts cultivation to indoor only. The hemp ordinance also provides a framework for licensing of commercial hemp operations in the City and designates zone districts appropriate for commercial hemp and retail activities.

Zone Text Amendment No. 2020-03

Packet Pg. 23

1. The amendment is internally consistent with the goals, objectives, and policies of the General Plan and this title;

ANALYSIS: That the proposal to add commercial hemp activities and hemp retail to the land use table and add Chapter 17.67, establishing purpose and intent, definitions, and designation of hemp retailers and commercial hemp businesses to the Municipal Code is internally consistent with Title 17 of the Hanford Municipal Code and the goals, objectives, and policies of the General Plan, specifically:

- Goal E2: [achieve] a diversity of commercial and industrial enterprises which provide goods, services, and employment opportunities consistent with Hanford's small-town agricultural image.
- Goal E5: [Promote] a healthy and sustainable agricultural economic sector.
- Policy E23 Economic Development of Agriculture: Value and support agriculture as an industry and make it a key component of Hanford's economic development strategy.
- Policy E24 Recruit Agriculture-related Businesses: Recruit businesses that are agriculture-related, especially those that create value-added products.
- Policy E25 Support Innovation in Agriculture: Support innovation in the production, processing, and distribution of agricultural products and services.
- Goal E6: [Create] a variety of opportunities for vibrant and successful commerce activities.
- Policy E27 Commercial Enterprises: Encourage and support new commercial development, consistent with other General Plan policies.

2. The amendment would not be detrimental to the public health, safety, or welfare of the community;

ANALYSIS: That the proposal to add commercial hemp activities and hemp retail to the land use table and add Chapter 17.67, establishing purpose and intent, definitions, and designation of hemp retailers and commercial hemp businesses to the Municipal Code is not detrimental to the public health, safety, or welfare of the community, through regulations established in Chapter 5.68 Standards and Regulations for Commercial Hemp Activity. Chapter 5.68 requires:

- Compliance with federal, state, and local laws;
- Requirements for building permits and inspections;
- Security requirements;
- Operating requirements for storefront/retail facilities, cultivation facilities, distributors, testing labs, and hemp manufacturing; and
- Inspection and enforcement

3. The amendment would maintain the appropriate balance of land uses within the City;

ANALYSIS: That jobs-housing balance is achieved, by increasing opportunities for people to work and live in close proximity. The ratio is expressed as the number of jobs divided by the number of housing units. The jobs-housing balance is a general tool for analyzing where people work, where they live, and how effectively they can travel between the two. In the planning area, the existing jobs-housing balance ratio in 2013-2014 was 1.17. It is estimated that the implementation of the General Plan would increase the jobs-housing balance by 0.45 to 1.62, which would make the planning area a jobs-rich area. The zone text amendment will not affect the balance of land uses within the City of Hanford. The zone text amendment allows for the establishment of commercial hemp activities and hemp retail within existing industrial, mixed-use, and commercial zone districts.

4. The anticipated land uses on the subject site would be compatible with existing and future surrounding uses;

ANALYSIS: That the land uses proposed by the zone text amendment apply to commercial hemp activities and retail, which are similar and compatible with existing and future surrounding land uses next to and within the city limits, including farming, manufacturing, and retail and distribution of other agricultural products.

PUBLIC COMMENTS

Noticing of the public hearing for the Zone Text Amendment was published in the newspaper on July 2, 2021. The City of Hanford has not received comments on the project as of the preparation of this report.

ENVIRONMENTAL ASSESSMENT

The ordinance is exempt under Section 15601(b)(3) of the California Environmental Quality Act (CEQA) Guidelines, because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the ordinance is also exempt under Section 15183 Projects Consistent with a Community Plan, General Plan, or Zoning, since the types of businesses permitted by the ordinance are consistent with those contemplated by the General Plan and Zoning, such as farming, manufacture, retail and distribution of other agricultural products. A Notice of Exemption has been prepared and is attached as **Attachment 2**.

RECOMMENDATION

Staff recommends that the Planning Commission:

1. Adopt Resolution No. 2021-06, recommending approval of Zone Text Amendment No. 2020-03 to the City Council.

Project Applicant:

City of Hanford
317 N. Douty St.
Hanford, CA 93230

RESOLUTION NO. 2021-06

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF HANFORD RECOMMENDING APPROVAL OF ZONE TEXT AMENDMENT NO. 2020-03 TO THE CITY COUNCIL. ZTA 2020-03: A REQUEST BY THE CITY OF HANFORD TO AMEND TITLE 17, SECTION 17.08.030 – COMMERCIAL, OFFICE, AND INDUSTRIAL ZONE USE TABLE OF THE HANFORD MUNICIPAL CODE BY ADDING COMMERCIAL HEMP BUSINESS (E.G., CULTIVATION, MANUFACTURE, DISTRIBUTION, TRANSPORTATION, AND LAB TESTING) AS A CONDITIONALLY PERMITTED USE IN THE I-L LIGHT INDUSTRIAL AND I-H HEAVY INDUSTRIAL ZONE DISTRICT, AND TO ADD HEMP RETAILERS (5% OR MORE OF A RETAILER’S BUSINESS OR GROSS RECEIPTS IS DERIVED FROM CBD SALES) AS A PERMITTED USE IN C-S SERVICE COMMERCIAL, C-H HIGHWAY COMMERCIAL, MX-C CORRIDOR MIXED USE, AND MX-D DOWNTOWN MIXED USE, AND AS A CONDITIONALLY PERMITTED USE IN C-R REGIONAL COMMERCIAL. THE AMENDMENT ALSO INCLUDES AN ADDITION OF CHAPTER 17.67, ADDING PURPOSE AND INTENT, DEFINITIONS, AND ESTABLISHING THE LOCATION OF HEMP RETAILERS AND COMMERCIAL HEMP BUSINESSES IN THE CITY OF HANFORD.

At a regular meeting of the Planning Commission of the City of Hanford duly called and held on July 13, 2021, on motion of Commissioner _____, seconded by Commissioner _____ and duly carried, the following resolution was adopted:

WHEREAS, a proposal to amend Title 17, Section 17.08.030 – Commercial, Office, and Industrial Zone Use Table of the Hanford Municipal Code by adding Commercial Hemp Business (e.g., cultivation, manufacture, distribution, transportation, and lab testing) as a conditionally permitted use in the I-L Light Industrial and I-H Heavy Industrial zone district, and to add Hemp retailers (5% or more of a retailer’s business or gross receipts is derived from CBD sales) as a permitted use in C-S Service Commercial, C-H Highway Commercial, MX-C Corridor Mixed Use, and MX-D Downtown Mixed Use, and as a conditionally permitted use in C-R Regional Commercial. The amendment also includes an addition of Chapter 17.67, adding purpose and intent, definitions, and establishing the location of hemp retailers and commercial hemp businesses in the City of Hanford, as shown in **Exhibit A**, was presented to the Planning Commission; and

WHEREAS, on July 13, 2021, the Planning Commission of the City of Hanford conducted a public hearing in accordance with Section 17.70.070 of the Hanford Municipal Code pertaining to Municipal Code Amendment 2020-03, and

WHEREAS, comprehensive zoning regulations on the use of land and property lie within the City’s police powers; and

WHEREAS, the Planning Commission has carefully considered recommendations and testimony presented at the public hearing of July 13, 2021; and

WHEREAS, Section 15061(b)(3) of the California Environmental Quality Act (CEQA) Guidelines categorically exempts the proposed project under the “General Rule”; and

WHEREAS, Section 15813 of the CEQA Guidelines further exempts the proposed project under Projects Consistent with a Community Plan, General Plan, or Zoning, since the types of businesses permitted by the ordinance are consistent with those contemplated by the

General Plan and Zoning, such as farming, manufacture, retail and distribution of other agricultural products; and

THEREFORE BE IT RESOLVED, on the basis of the facts and evidence provided in the staff report and the written and oral evidence presented at the public hearing on July 13, 2021, the Planning Commission hereby is able to make the following recommendation in accordance with the required findings in Section 17.86.030:

1. The amendment is internally consistent with the goals, objectives, and policies of the General Plan and this title;

ANALYSIS: That the proposal to add commercial hemp activities and hemp retail to the land use table and add Chapter 17.67, establishing purpose and intent, definitions, and designation of hemp retailers and commercial hemp businesses to the Municipal Code is internally consistent with Title 17 of the Hanford Municipal Code and the goals, objectives, and policies of the General Plan, specifically:

- Goal E2: [achieve] a diversity of commercial and industrial enterprises which provide goods, services, and employment opportunities consistent with Hanford's small-town agricultural image.
- Goal E5: [Promote] a healthy and sustainable agricultural economic sector.
- Policy E23 Economic Development of Agriculture: Value and support agriculture as an industry and make it a key component of Hanford's economic development strategy.
- Policy E24 Recruit Agriculture-related Businesses: Recruit businesses that are agriculture-related, especially those that create value-added products.
- Policy E25 Support Innovation in Agriculture: Support innovation in the production, processing, and distribution of agricultural products and services.
- Goal E6: [Create] a variety of opportunities for vibrant and successful commerce activities.
- Policy E27 Commercial Enterprises: Encourage and support new commercial development, consistent with other General Plan policies.

2. The amendment would not be detrimental to the public health, safety, or welfare of the community;

ANALYSIS: That the proposal to add commercial hemp activities and hemp retail to the land use table and add Chapter 17.67, establishing purpose and intent, definitions, and designation of hemp retailers and commercial hemp businesses to the Municipal Code is not detrimental to the public health, safety, or welfare of the community, through regulations established in Chapter 5.68 Standards and Regulations for Commercial Hemp Activity. Chapter 5.68 requires:

- Compliance with federal, state, and local laws;

- Requirements for building permits and inspections;
 - Security requirements;
 - Operating requirements for storefront/retail facilities, cultivation facilities, distributors, testing labs, and hemp manufacturing; and
 - Inspection and enforcement
3. The amendment would maintain the appropriate balance of land uses within the City;

ANALYSIS: That jobs-housing balance is achieved, by increasing opportunities for people to work and live in close proximity. The ratio is expressed as the number of jobs divided by the number of housing units. The jobs-housing balance is a general tool for analyzing where people work, where they live, and how effectively they can travel between the two. In the planning area, the existing jobs-housing balance ratio in 2013-2014 was 1.17. It is estimated that the implementation of the General Plan would increase the jobs-housing balance by 0.45 to 1.62, which would make the planning area a jobs-rich area. The zone text amendment will not affect the balance of land uses within the City of Hanford. The zone text amendment allows for the establishment of commercial hemp activities and hemp retail within existing industrial, mixed-use, and commercial zone districts.

4. The anticipated land uses on the subject site would be compatible with existing and future surrounding uses;

ANALYSIS: That the land uses proposed by the zone text amendment apply to commercial hemp activities and retail, which are similar and compatible with existing and future surrounding land uses next to and within the city limits, including farming, manufacturing, and retail and distribution of other agricultural products.

BE IT FURTHER RESOLVED that pursuant to Section 17.70 of the City of Hanford Zoning Ordinance, the Planning Commission forward to the City Council a recommendation that Municipal Code Amendment No. 2020-03 be approved.

PASSED AND ADOPTED at a regular meeting of the Planning Commission of the City of Hanford held on the 13th day of July 2021, by the following vote:

AYES: Commissioners
 NOES: Commissioners
 ABSTAIN: Commissioners
 ABSENT: Commissioners

I, **Gabrielle Myers**, Acting Secretary of the Planning Commission of the City of Hanford, do hereby certify the foregoing resolution was duly passed and adopted by the Planning Commission of the City of Hanford at a regular meeting thereof held on the **13th day of July 2021**.

Gabrielle Myers, Acting Secretary

Attachment: Resolution No. 2021-06 (MCA 2020-03)

**Exhibit A:
Chapter 17.67**

CHAPTER 17.67

COMMERCIAL HEMP-RELATED USE AND ACTIVITY

- 17.67.010 Purpose and Intent
- 17.67.020. Definitions
- 17.67.030 Location of hemp retailers and commercial hemp businesses.

17.67.010. Purpose and Intent.

The purpose of this chapter is to further fulfill the purposes and intents set forth in Chapter 5.68 of the Hanford Municipal Code. No person shall operate a commercial hemp business without first obtaining a conditional use permit and complying with all the requirements of Chapter 5.68 of the Hanford Municipal Code and complying with all applicable State law requirements.

17.67.020. Definitions

Unless otherwise provided herein, the terms used in this chapter shall have the meanings ascribed to them in Chapter 5.68 of the Hanford Municipal Code.

17.67.030. Location of hemp retailers and commercial hemp businesses.

A. In cases in which five percent (5%) or more of a retailer's business or gross receipts is derived from the sale of hemp in the form of CBD products, such retailers will be a permitted use only in Service Commercial (C-S), Highway Commercial (C-H), Corridor Mixed Use (MX-C), and Downtown Mixed Use (MX-D) zone districts and shall be a conditional use only in Regional Commercial (C-R) zone districts. In cases in which less than five percent (5%) of a retailer's business or gross receipts is derived from the sale of hemp in the form of CBD products, such retailers shall be allowed in zone districts as other retail uses in accordance with Section 17.08.030.

B. Commercial hemp businesses shall be permitted only in Heavy Industrial (I-H) and Light Industrial (I-L) zone districts.

C. Section 17.08.030 is amended in the manner reflected in the attached Exhibit "A," which is incorporated by reference, to add commercial hemp businesses and hemp retailers.

Exhibit A
17.08.030

Commercial, Office, and Industrial Use Table																
P = Use is Permitted by Right C = Use Requires Conditional Use Permit A = Use Requires Administrative Use Permit T = Use Requires Temporary Use Permit Blank = Use is Not Allowed																
Land Uses		Commercial Zones				Mixed Use Zones			Industrial and Office Zones				Other Zones			
		C-N	C-R	C-S	C-H	MX-N	MX-C	MX-D	O-R	O	I-L	I-H	AP	PF	CO	Specific Land Use Standards (See identified Section)
D12	Commercial hemp business (e.g., cultivation, manufacture, distribution, transportation, and lab testing)										C	C				See Chapters 5.68 and 17.67

Commercial, Office, and Industrial Use Table																
P = Use is Permitted by Right C = Use Requires Conditional Use Permit A = Use Requires Administrative Use Permit T = Use Requires Temporary Use Permit Blank = Use is Not Allowed																
Land Uses		Commercial Zones				Mixed Use Zones			Industrial and Office Zones				Other Zones			Specific Land Use Standards (See identified Section)
		C-N	C-R	C-S	C-H	MX-N	MX-C	MX-D	O-R	O	I-L	I-H	AP	PF	CO	
I33	Hemp retailer (5% or more of a retailer’s business or gross receipts is derived from CBD sales)		C	P	P		P	P								See Chapters 5.68 and 17.67

**AN ORDINANCE ADDING CHAPTER 5.68 TO TITLE 5 OF
THE HANFORD MUNICIPAL CODE TO ESTABLISH STANDARDS AND
REGULATIONS FOR COMMERCIAL HEMP ACTIVITY**

The City Council of the City of Hanford does ordain as follows:

Section 1. Chapter 5.68 of Title 5 is added to the Hanford Municipal Code, to read as follows:

CHAPTER 5.68

STANDARDS AND REGULATIONS FOR COMMERCIAL HEMP ACTIVITY

- 5.68.010 Purpose and Intent.**
- 5.68.020 Legal Authority.**
- 5.68.030 Hemp Cultivation and Commercial Hemp Activities Prohibited Unless Specifically Authorized by this Chapter.**
- 5.68.040 Compliance with Federal, State and Local Laws.**
- 5.68.050 Definitions.**
- 5.68.060 Conditional Use Permit Required to Engage in Commercial Hemp Business.**
- 5.68.070 Building Permits and Inspection.**
- 5.68.080 Right to Occupy and to Use Property.**
- 5.68.090 Location and Design of Hemp Businesses.**
- 5.68.100 Limitations on City's Liability.**
- 5.68.110 Records and Recordkeeping.**
- 5.68.120 Security Requirements.**
- 5.68.130 General Operating Requirements for Conditional Use Permits.**
- 5.68.140 Operating Requirements for Store Front/Retail Facilities.**
- 5.68.150 Operating Requirements for a Cultivation Facility Operation.**
- 5.68.160 Operating Requirements for Distributors.**
- 5.68.170 Operating Requirements for Testing Labs.**
- 5.68.180 Operating Requirements for Hemp Manufacturing: Edibles and Other Hemp Products; Sale or Distribution of Edible and Other Hemp Products.**
- 5.68.190 Fees Deemed Debt to the City of Hanford.**
- 5.68.200 Key Participant Responsible for Violations.**
- 5.68.210 Inspection and Enforcement.**
- 5.68.220 Appeals.**
- 5.68.230 Written Request for Appeal.**
- 5.68.240 Appeal Hearing Process.**
- 5.68.250 Violations Declared a Public Nuisance.**
- 5.68.260 Each Violation a Separate Offense.**
- 5.68.270 Criminal Penalties.**
- 5.68.280 Administrative Remedies and Costs.**
- 5.68.290 Remedies Cumulative and Not Exclusive.**

5.68.010. Purpose and Intent.

A. It is the purpose and intent of this Chapter to implement the provisions of Senate Bill 531, the Industrial Hemp Act of 2019, which brings California into conformity with the Federal Agricultural Improvement Act of 2018 (Public Law 115-334), also known as the 2018 Federal Farm Bill. The 2018 Federal Farm Bill ended decades of restrictive federal law with respect to hemp by removing it from the list of federally prohibited Schedule 1 substances and transferring federal oversight of hemp production from the U.S. Drug Enforcement Agency to the Agricultural Marketing Service within the U.S. Department of Agriculture.

B. With the Industrial Hemp Act of 2019, the California Legislature signaled its intent to allow large-scale industrial production of hemp by directing the Secretary of the California Department of Food and Agriculture to craft a state plan for such production, in consultation with the Governor and the Attorney General, and to submit that plan to the U.S. Secretary of Agriculture by May of 2020. At a minimum, this plan will include a scheme for licensing and registration of industrial hemp businesses within the State of California. The purpose of this Chapter is to complement the state plan by establishing a local regulatory scheme to work in concert with that to be established at the state level.

C. Hemp, a close genetic relative to cannabis, is indistinguishable in appearance from cannabis and produces an identical odor, although it contains significantly lower concentrations of the psychotropic substance THC and therefore is of little value as a recreational drug. The odor of hemp triggers nuisance concerns, however, and nuisance prevention and abatement are within the purview of local governments.

D. In addition, there is strong and growing commercial interest in the industrial production of CBD oil from the hemp plant, intended for human consumption. The intent of this Chapter is to provide a scheme for local regulation to address potential nuisance conditions that may arise from hemp cultivation and other commercial activities, and to protect public health and safety by creating a local regulatory scheme to enforce state law with respect to hemp products manufactured for human consumption.

E. The provisions of this Chapter are in addition to any other permits, licenses and approvals which may be required to conduct business in the City, and are in addition to any permits, licenses and approval required under federal, state, City, or other laws.

5.68.020. Legal Authority.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution, and the Industrial Hemp Act of 2019, as well as any subsequent state legislation and/or regulations implementing same, the City is authorized to adopt ordinances that establish standards, requirements and regulations for the licensing and permitting of commercial hemp activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, and incorporated herein by reference and shall be the minimum standards applicable in the City to all commercial hemp activity.

5.68.030. Hemp Cultivation and Commercial Hemp Activities Prohibited Unless Specifically Authorized by this Chapter.

Except as specifically authorized in this Chapter and Title 17 of this Municipal Code, the commercial cultivation, manufacturing, processing, storing, laboratory testing, labeling, delivery, distribution and transportation of hemp or hemp product and any other hemp-related operations are expressly prohibited in the City; provided however, such prohibition shall not apply to the retail sale of hemp and CBD products.

5.68.040. Compliance with Federal, State and Local Laws.

Owners and operators of commercial hemp businesses shall operate in a manner compliant with all applicable federal, state and local laws, and any regulations promulgated thereunder. Nothing in this Chapter shall be construed as authorizing any actions that violate federal, state, or local law with respect to the operation of a commercial hemp business.

5.68.050. Definitions.

A. For purposes of this Chapter, the following terms have the following meanings:

1. “Approved state plan” means a state plan for California that is approved pursuant to Section 297B of the federal Agricultural Marketing Act of 1946 (added by Section 10113 of the federal Agriculture Improvement Act of 2018 (Public Law 115-334)) and in effect.
2. “Board” means the California Industrial Hemp Advisory Board or its successor.
3. “CBD” means cannabidiol. Cannabidiol is a chemical in the Cannabis sativa L. plant. Over eighty (80) chemicals, known as cannabinoids, have been identified in the Cannabis sativa L. plant. While THC (defined below) is the major active ingredient in marijuana (also known as cannabis), cannabidiol is obtained from hemp (defined below), which contains only very small amounts of THC.
4. “Commercial hemp business” means any business or operation which engages in commercial hemp activity, excluding the retail sale of hemp or CBD products.
5. “Community Development Director” means the Community Development Director of the City of Hanford.
6. “Cultivar” means a variety of industrial hemp.
7. “Distributor” means a commercial business engaged in the distribution of hemp and hemp products.
8. “Hemp goods” are any products for commercial sales that are made from or derived from hemp, including oil extracted from the hemp plant.

9. “Hemp” or “industrial hemp” has the same meaning as that contained in Health and Safety Code Section 11018.5, i.e. a crop that is limited to types of the plant *Cannabis sativa* L. having no more than three-tenths of one percent (0.3%) of THC contained in: (i) the dried flowering tops, whether growing or not; (ii) the seeds of the plant; (iii) the resin extracted from any part of the plant; and (iv) every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin produced therefrom.

10. “Key participant” means a person or persons who have a direct or indirect financial interest in the entity producing hemp, such as an owner, a partner in a partnership, a shareholder in a corporation, or a member in a limited liability company. A key participant also includes: (i) a person in a corporate entity at executive levels including directors and officers; and (ii) officers and managers of a limited liability company. This term does not, however, include other employee management positions such as farm, field, or shift managers.

11. “Manufactured hemp” means raw hemp that has undergone a process whereby the raw agricultural product has been transformed into either a textile product (paper, fabric or rope) or a concentrate, compound, blend, infusion, extraction or other hemp derivative or hemp product.

12. “Operator” and “person” mean any business entity, including, without limitation, sole proprietor, partnership, limited liability company, corporation, joint venture, firm, association, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and the subsidiaries, affiliates, partners, employees, agents and contractors thereof.

13. “Premises” means any physical location or facility within the City’s boundaries at which a locally authorized hemp business shall operate.

14. “Processing” means activities limited to the trimming, drying, curing, grading, packaging, or labeling of hemp and non-manufactured hemp products.

15. “Retailer” or “hemp retailer” means a business engaged in retail hemp or CBD sales, which may include delivery of hemp or hemp products to customers.

16. “State license” means a permit or license issued by the State of California, or one of its departments or divisions, pursuant to state law governing industrial production of commercial hemp. A state license alone will not authorize the holder to operate a hemp business, as state law also requires a permit or other authorization issued by the City.

17. “THC” means delta-9 tetrahydrocannabinol. THC is a psychotropic substance and the major active ingredient in marijuana, containing intoxicating and other properties. It is also present in hemp in small amounts.

18. “Youth center” means any public or private facility that has a primary purpose of hosting recreation or social activities for minors, including, but not limited to, private youth membership organizations or clubs, social service teenage club facilities, video arcades, or amusement parks. It shall also include a park, playground or recreational area specifically designed to be used by children which has play equipment installed, including public grounds designed for athletic

activities such as baseball, softball, soccer, or basketball or any similar facility located on a public or private school grounds, or on city, county or state parks. This definition shall not include any private martial arts, yoga, ballet, music or similar studio of this nature nor shall it include any private athletic training facility, restaurant, dentist office or doctor's office serving children. "Youth center" shall not include any facility at which youth recreational activities are merely ancillary to the facility's primary purpose.

5.68.060. Conditional Use Permit Required to Engage in Commercial Hemp Business.

A. No person may engage in any commercial hemp business or in any commercial hemp activity within the City, including cultivation, labeling, manufacturing, packaging, processing, laboratory testing, transporting, distribution, or wholesale sale of hemp or a hemp product unless the person: (1) applies for and successfully obtains a conditional use permit from the City pursuant to Chapter 17.80; (2) has a valid State of California Seller's Permit, if applicable; (3) is currently in compliance with all applicable state and local laws and regulations pertaining to the commercial hemp business and the commercial hemp activities, including the duty to obtain any required state licenses; and (4) satisfies other City and State of California requirements for the operation of a business, including, without limitation, obtaining and maintaining a City-issued business license and payment of applicable business license taxes.

B. No conditional use permit shall be issued for outdoor hemp cultivation, which is prohibited. It is a violation of this Chapter for any person to engage in any outdoor hemp cultivation of any kind.

5.68.070. Building Permits and Inspection.

As a condition precedent to the City's issuance of a conditional use permit pursuant to this Chapter, a commercial hemp business shall be subject to a mandatory building inspection and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes, but is not limited to, obtaining any required building permit(s), Hanford Fire Department approvals, Kings County Health Department approvals and other zoning and land use permit(s) and approvals.

5.68.080. Right to Occupy and to Use Property.

As a condition precedent to the City's issuance of a conditional use permit, any person intending to open and to operate a commercial hemp business shall provide sufficient evidence of the legal right to occupy and to use the proposed location. In the event the proposed location will be leased from the property owner, the applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this Chapter and consents to the operation of the commercial hemp business on the owner's property.

5.68.090. Location and Design of Hemp Businesses.

Hemp businesses permitted to engage in operations in the City are subject to the following zoning and locational requirements:

A. Commercial hemp business operations must be zoned in accordance with Hanford Municipal Code 17.67 and must meet all of the requirements for development in these zones. The hemp businesses must also meet all of the following distance requirements:

1. It shall be no closer than six hundred (600) feet from any parcel in the City on which a use that is designated by Business and Professions Code 26054(b) as a sensitive use or any of the following uses:

a. A school providing instruction in kindergarten or any grades 1 through 12, (whether public, private, or charter, including pre-school, transitional kindergarten, and K-12);

b. A commercial daycare center licensed by the State, County or City or that is in existence at the time the license is issued, unless the State licensing authority specifies a different radius.

c. A youth center.

The distance measured shall be the distance measured in a straight line from the parcel on which the sensitive use exists to the closest property line of the lot on which the hemp business is will be. The existence of nearby uses shall be determined at the time a commercial hemp business permit application is submitted to the City.

2. It shall be no closer than two hundred fifty (250) feet of any residentially zoned parcel in the City, including any legal non-conforming residential uses as of the date a commercial hemp business's conditional use permit application is deemed complete. The distance between the hemp business and the residential parcel shall be measured in a straight line from the residential parcel to the closest property line of the lot on which the hemp business is will be. For purposes of this Chapter, properties that are zoned for mixed use shall not be considered residentially zoned.

3. The distance between parcels shall be the horizontal distance measured in a straight line from any property line of the sensitive use to the closest property line of the lot on which the commercial hemp business is to be located, without regard to any intervening structures. The distance requirements in this chapter shall only be applicable with respect to properties located in the City's limits, unless otherwise required by State law. The distance requirements shall not be applicable with respect to any property located outside the City limits.

B. Each proposed commercial hemp business shall:

1. Conform with the City's general plan, any applicable specific plans, master plans, and design requirements.

2. Comply with all applicable zoning and related development standards.

3. Be constructed in a manner consistent with the requirements of Section 5.68.130.I that minimizes odors to surrounding uses, and promotes quality design and construction, and consistency with the surrounding properties.

4. Be adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping and all items required for the development under applicable legal authority.

5. Be served by streets adequate in width and improved as necessary to carry the kind and quantity of traffic such use will generate.

6. Be provided with adequate electricity, sewerage, disposal, water, fire protection and storm drainage facilities for the intended purpose.

5.68.100. Limitations on City's Liability.

To the fullest extent permitted by law, the City shall not assume any liability whatsoever with respect to having issued a conditional use permit for a commercial hemp business or otherwise approving the operation of any commercial hemp business. As a condition to the approval of any conditional use permit, the applicant shall be required to meet all of the following conditions:

A. Execute an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the City and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the City's issuance of a conditional use permit, the City's decision to approve the operation of the commercial hemp business or activity, the process used by the City in making its decision, or the alleged violation of any federal, state or local laws by the commercial hemp business.

B. The City may elect to defend itself, with counsel of its choice, in legal proceedings involving the approval or issuance of a commercial hemp business permit. In such case, the applicant will, upon demand, reimburse the City for all costs and expenses, including but not limited to legal fees and costs and court costs, which the City may pay as a result of the legal challenge related to the City's approval or issuance of the applicant's conditional use permit, or related to the City's approval of a commercial hemp activity. If the City elects to have the applicant defend the City in litigation, the City may, at its sole discretion, participate, at its own expense, in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

5.68.110. Records and Recordkeeping.

A. Each owner and operator of a commercial hemp business shall maintain current separate registers of the names and the contact information (including the name, address, and telephone number) of: (i) key participants; and (ii) employees, agents and volunteers employed or otherwise engaged by the commercial hemp business. The registers required by this subsection shall be

provided to the Community Development Director or his/her designee(s) upon a reasonable request.

B. Each commercial hemp business shall allow the City's officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted commercial hemp activities, for the purpose of conducting a compliance inspection or investigation. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the City's request, unless otherwise stipulated by the City. The City may require the materials to be submitted in an electronic format that is compatible with the City's software and hardware.

5.68.120. Security Requirements.

A. As a condition precedent to the City's issuance of a conditional use permit pursuant to this Chapter, a commercial hemp business shall submit to the City a security plan that is subject to the approval of the Chief of Police or his/her designee.

B. At a minimum, the security plan shall include sufficient security measures to deter and prevent the unauthorized entrance into areas containing hemp or hemp products, and to deter and prevent the theft of hemp or hemp products at the commercial hemp business. Except as may otherwise be determined by the Chief of Police or his/her designee(s), these security measures shall include all of the following:

1. Alarm systems including perimeter, fire alarms and Panic buttons/silent alarms are required and shall be approved by the Chief of Police.
2. Remote monitoring of alarm systems by licensed security professionals.
3. Perimeter lighting systems (including motion sensors) for after-hours security.
4. Professionally installed 24-hour security surveillance cameras of at least HD-quality to monitor all entrances and exits to and from the premises, all interior spaces within the commercial hemp business which are open and accessible to the public, all interior spaces where hemp, cash or currency is being stored for any period of time on a regular basis and all interior spaces where diversion of hemp could reasonably occur. All cameras shall record in color. All exterior cameras shall be in weather-proof enclosures, shall be located so as to minimize the possibility of vandalism, and shall have the capability to automatically switch to black and white in low light conditions. The commercial hemp business shall maintain video recordings for a minimum of forty-five (45) days and shall be made available to the Chief of Police or his/her designee(s) upon request. Video shall be of sufficient quality for effective prosecution of any crime found to have occurred on the site of the commercial hemp business and shall be capable of enlargement via projection or other means. Internet Protocol address information shall be provided to the Hanford Police Department by the commercial hemp business to facilitate remote monitoring of security cameras by the Department or its designee. The surveillance system shall have network security protocols that are certified by Underwriters Laboratories.

5. Professionally installed, maintained, and monitored real-time alarm system by a security company licensed by the State of California Bureau of Security and Investigative Services.

6. The premises shall have the ability to remain secure during a power outage.

7. Any bars installed on the windows or doors of the premises shall be installed only on the interior of the building.

C. As part of the application and permitting process, each commercial hemp business shall have a storage and transportation plan, which describes in detail the procedures for safely and securely storing and transporting all hemp, hemp products, and hazardous materials that may be used by the business.

D. Compliance with the foregoing requirements shall be verified by the Chief of Police or his/her designee prior to commencing business operations. The Chief of Police or his/her designee may supplement these security requirements once operations begin if necessary to protect public safety and welfare.

5.68.130. General Operating Requirements for Conditional Use Permits.

A. Commercial hemp businesses may operate only during the hours specified in the conditional use permit issued by the City.

B. No hemp or hemp products or graphics depicting hemp or hemp products shall be visible from the exterior of any property issued a conditional use permit, or on any of the vehicles owned or used as part of the commercial hemp business; provided however, words, such as “CBD” and “Hemp” are permitted on signage.

C. No outdoor storage of hemp or hemp products is permitted at any time.

D. Reporting and tracking of product and of gross sales. Each commercial hemp business shall have in place, as may be required by the state, a point-of-sale or management inventory tracking system to track and report on all aspects of the commercial hemp business, including, but not limited to, hemp tracking, inventory data, gross sales (by weight and by sale) and other information which may be required by the state. Such information shall be provided by to the City promptly upon the City’s request, which the City shall utilize to confirm a commercial hemp business’s compliance with this Chapter.

E. All hemp and hemp products sold, distributed or manufactured shall be cultivated, manufactured, and transported by licensed facilities that maintain operations in full conformance with state and local regulations.

F. Hemp material and testing. All hemp processed at a commercial hemp business within the City shall be sourced from a lawful source in compliance with federal and state regulations. In addition, all hemp shall be tested for compliance with federal THC potency restrictions. Testing shall occur in a manner consistent with requirements established by the state.

G. Waste. All hemp waste will be properly disposed of in compliance with applicable laws. Any hemp, hemp extracts, or hemp products that exceed the threshold of THC concentration under the definition of hemp will follow a separate waste stream in compliance with state laws.

H. Emergency Contact. Prior to the commencement of operations, each commercial hemp business shall provide the Hanford Police Department with the name, telephone number (both land line and mobile, if available) of at least two on-site employees or key participants to whom emergency notice can be provided at any hour of the day. Commercial hemp businesses shall promptly provide updated contact information to the Hanford Police Department whenever a change in such information occurs.

I. Odor Control. Odor control devices and techniques shall be incorporated in all commercial hemp businesses to ensure that odors from hemp are not detectable off-site. Commercial hemp businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the commercial hemp business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the commercial hemp business. As such, commercial hemp businesses must install and maintain the following equipment, or any other equipment which the Community Development Director or his/her designee(s) determine is a more effective method or technology:

1. An exhaust air filtration system with odor control that prevents internal odors from being emitted externally; and

2. An air system that creates negative air pressure between the commercial hemp business's interior and exterior, so that the odors generated inside the commercial hemp business are not detectable on the outside of the commercial hemp business.

J. Display of City Business License. Each commercial hemp business shall post its city issued business license at its premises in a location readily visible to the public.

5.68.140. Operating Requirements for Store Front/Retail Facilities.

A. All hemp retailers are required to obtain a business license issued by the City.

B. Hemp retailers are expressly prohibited from accepting, selling, providing, storing or transporting any cannabis or cannabis products. Furthermore, in cases in which five percent (5%) or more of a retailer's business or gross receipts is derived from the sale of hemp in the form of CBD products, the retailer shall not cause or permit the sale, dispensing, or consumption of alcoholic beverages on or about the retailer's premises.

C. Prior to beginning operations, retailers must be in compliance with all state regulations governing the sales of hemp and hemp products.

5.68.150. Operating Requirements for a Cultivation Facility Operation.

- A. Outdoor hemp cultivation is prohibited.
- B. In no case shall hemp plants be visible from a public or private road, sidewalk, park, any common public viewing area, or adjacent property.
- C. Hemp cultivation shall be conducted in accordance with federal, state and local laws related to land use, grading, electricity, water usage, water quality, habitat protection, agricultural discharges, and similar matters.
- D. Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from all causes, including pests and rodents.
- E. The cultivation of hemp shall, at all times, occur in such a way as to: (i) ensure the health, safety, and welfare of the public, the employees working at the commercial hemp business, visitors to the area, neighboring properties, and the end users of the hemp being cultivated; (ii) protect the environment; (iii) ensure the security of the hemp being cultivated; and (iv) safeguard against the diversion of hemp.
- F. All applicants for a conditional use permit for cultivation shall submit the following in addition to the information generally otherwise required for a commercial hemp business:
 - 1. A description of a legal water source, and projected water use.
 - 2. Identification of the source of electrical power, projected electricity usage, and plan for compliance with applicable Building Codes and related codes.
 - 3. Plan for addressing odor and other potential public nuisances that may derive from the cultivation site.

5.68.160. Operating Requirements for Distributors.

- A. A distributor shall not store non-hemp goods or non-hemp accessories that are to be sold to another party on any permitted premises. Additionally, a distributor shall not distribute non-hemp goods or non-hemp accessories at its permitted premises. For the purposes of this section, non-hemp goods are any goods that are not derived from hemp.
- B. A distributor shall ensure that all hemp goods batches are stored separately and distinctly from other hemp goods batches on the distributor's premises.
- C. After taking physical possession of a hemp goods batch, the distributor shall contact a testing laboratory and arrange for a laboratory employee to come to the distributor's licensed premises to select a representative sample for laboratory testing. A key participant or an employee of the commercial hemp business shall be physically present to observe the laboratory employee

obtain the sample of hemp goods for testing and shall ensure that the increments are taken from throughout the batch. The distributor shall ensure that the batch size from which the sample is taken meets the requirements of state law, specifically the testing provisions within Section 81006, et seq., of the Food and Agriculture Code.

D. A distributor shall not transport hemp or hemp products to a permitted retail facility until and unless it has verified that the hemp or hemp products have been tested and certified by a testing lab as being in compliance with state health and safety requirements pursuant to Section 81006, et seq., of the Food and Agriculture Code.

5.68.170. Operating Requirements for Testing Labs.

A. Testing labs shall be required to conduct all testing in a manner compliant with state law, and as state law may be subsequently amended by the state plan for industrial hemp production.

B. Testing labs shall conduct all testing in a manner consistent with general requirements for the competence of testing and calibrations activities, including sampling using verified methods.

C. Testing labs shall destroy any harvest batch whose testing sample indicates non-compliance with state health and safety standards required by the Bureau of Cannabis Control unless remedial measures can bring the hemp or hemp products into compliance with quality standards as specified by law.

D. Except as provided by state law, a testing laboratory shall not acquire or receive hemp or hemp products except from a licensee in accordance with state law, and shall not distribute, sell, or dispense hemp, or hemp products, from its location or from the licensed premises from which the hemp or hemp products were acquired or received. All transfer or transportation shall be performed pursuant to the State specified chain of custody protocol.

5.68.180. Operating Requirements for Hemp Manufacturing: Edibles and Other Hemp Products; Sale or Distribution of Edible and Other Hemp Products.

A. Any compressed gases used in the manufacturing process shall not be stored on any property within the City in containers that exceeds the amount, including number of tanks, approved by the City's Fire Chief or his/her designee and authorized in the commercial hemp business permit.

B. Hemp manufacturing facilities may use heat, screens, presses, steam distillation, ice water, ethanol and other methods approved by the City to create manufactured hemp products. Except as expressly allowed by this Chapter, the use of solvents or gases in the manufacturing process is prohibited.

C. If an extraction process uses a professional grade closed loop CO₂ gas extraction system (that has been approved by the City of Hanford Fire Chief), every vessel must be certified by the

manufacturer for its safe use as referenced in Section 5.68.180.D. Closed loop systems for compressed gas extraction systems must be commercially manufactured and bear a permanently affixed and visible serial number.

D. Certification from an mechanical engineer licensed by the State of California, or by a certified industrial hygienist, must be provided to the Community Development Department for a professional grade closed loop system used by any commercial hemp manufacturer confirming that the system was commercially manufactured, is safe for its intended use, and was built to codes of recognized and generally accepted good engineering practices, including but not limited to:

1. The American Society of Mechanical Engineers (ASME);
2. American National Standards Institute (ANSI);
3. Underwriters Laboratories (UL); or
4. The American Society for Testing and Materials (ASTM).

E. Professional closed loop systems and any other equipment and facilities used for the extraction operation must be approved for their use by the City and meet any required fire, safety, and building code requirements specified in the California Building and Fire Codes.

F. Hemp manufacturing facilities may use food grade glycerin, ethanol, and propylene glycol solvents to create or refine extracts. Ethanol shall be removed from the extract in a manner to recapture it and ensure that it is not vented into the atmosphere.

G. Hemp manufacturing facilities creating hemp extracts must develop and obtain the City's approval of standard operating procedures, good manufacturing practices, and a training plan prior to producing extracts for the marketplace.

H. Any person using solvents or gases in a closed looped system to create hemp extracts must be fully trained on how to use the system, have direct access to applicable material safety data sheets, and must handle and store the solvents and gases safely.

I. Solvent and gas concentrations in finished extract cannot exceed state standards when quality assurance tested.

5.68.190. Fees Deemed Debt to the City of Hanford.

The amount of any fee, cost, charge, or penalty imposed pursuant to this Chapter shall be deemed a debt to the City that is recoverable via an administrative process authorized by the City Council or proceedings pursued through any court of competent jurisdiction.

5.68.200. Key Participant Responsible for Violations.

The key participant of a commercial hemp business shall be responsible for all violations of the laws of the State of California and of the regulations and/or the ordinances of the City, whether committed by the key participant or any employee or agent of the commercial hemp business, which violations occur in or about the premises of the commercial hemp business or in the conduct of the commercial hemp business's operations, and whether or not said violations occur within the key participants presence.

5.68.210. Inspection and Enforcement.

A. Subject to applicable state and federal laws, the City Manager or his/her designee(s) charged with enforcing the provisions of the Hanford Municipal Code, or any provision thereof, may enter the location of a commercial hemp business at any time, without notice, and inspect the location of any commercial hemp business as well as any recordings and records required to be maintained pursuant to this Chapter or under applicable provisions of state law.

B. It is unlawful for any person having responsibility over the operation of a commercial hemp business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a commercial hemp business under this Chapter or under state law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a commercial hemp business under this Chapter or under state law.

C. Subject to applicable state and federal laws the City Manager or his/her designee(s) charged with enforcing the provisions of this Chapter may enter the location of a commercial hemp business at any time during the hours of operation and without notice to obtain samples of the hemp to test for public safety purposes. Any samples obtained by the City of Hanford shall be logged, recorded, and maintained in accordance with procedures established by the state and the City.

5.68.220. Appeals.

Unless specifically provided elsewhere to the contrary, an appeal of a City decision or action occurring under this Chapter shall be conducted as prescribed hereinafter.

5.68.230. Written Request for Appeal.

A. Within ten (10) calendar days after the date of a decision or action of a City official occurring pursuant to this Chapter, an aggrieved party may appeal such action by filing a written appeal with the City Clerk setting forth the reasons why the decision or action was not proper.

B. At the time of filing, the appellant shall pay the designated appeal fee, established by resolution of the City Council from time to time.

5.68.240. Appeal Hearing Process.

- A. Upon receipt of the written appeal, the City Clerk shall set the matter for a hearing before the City Council or its designee. The City Council or its designee shall hear the matter de novo.
- B. The appeal shall be held within a reasonable time after date of filing, but in no event later than ninety (90) days from the date on which the appeal is filed. The City shall notify the appellant of the time and location at least ten (10) days prior to the date of the hearing.
- C. At the hearing, the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.
- D. The failure of any appealing party to appear at the appeal hearing shall constitute a failure to exhaust his/her/its/their administrative remedies.
- E. The hearing body shall have the authority to uphold, vacate, or modify the decision or action that was appealed.
- F. Following the appeal hearing, an aggrieved party may seek judicial review of the City Council's or its designee's appeal decision by filing a complaint with the Superior Court of Kings County, California during the period identified by California Code of Civil Procedure Section 1094.6, as may be amended.

5.68.250. Violations declared a public nuisance.

Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance per se. The nuisance abatement remedies and procedures identified in Chapter 17.94, which is incorporated herein by reference, shall apply to nuisances existing under this Chapter 5.68.

5.68.260. Each violation a separate offense.

Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the City of Hanford or by state law. Each day a violation is committed or permitted to continue shall constitute a separate violation. Additionally, as a nuisance per se: (i) any violation of this Chapter shall be subject to injunctive relief; and (ii) the City will be entitled to disgorgement of any monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The City may also pursue any and all remedies and actions available and applicable under state and local laws for any violations committed by the commercial hemp business or persons related to, or associated with, the commercial hemp activity.

5.68.270. Criminal Penalties.

Each and every violation of the provisions of this Chapter may, in the discretion of the District Attorney, be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars (\$1,000) or imprisonment in the County jail for a period of not more than twelve (12) months, or by both such fine and imprisonment.

5.68.280. Administrative Remedies and Costs.

In addition to any other remedy available at law, an administrative citation may be issued to any person or entity who violates this Chapter.

A. Issuance of Citation.

1. Whenever the Chief of Police, his/her designee, or a City code enforcement officer determines that a violation of this Chapter has occurred, the Chief of Police, his/her designee, or a City code enforcement officer shall have the authority to issue an administrative citation to any person or entity responsible for the violation.

2. Each administrative citation shall contain the following information:

- a. The date of the violation or, if the date of the violation is unknown, then the date the violation is identified;
- b. The address or a definite description of the location where the violation occurred;
- c. The section of this Chapter that was violated and a description of the violation;
- d. The amount of the fine for the violation;
- e. A description of the fine payment process, including a description of the time within which and the place at which the fine shall be paid;
- f. An order prohibiting the continuation or repeated occurrence of the code violation described in the administrative citation;
- g. A description of the administrative citation review process, including the time within which the administrative citation may be contested and the place from which a request for hearing form to contest the administrative citation may be obtained; and
- h. The name and signature of the individual issuing the citation.

B. Amount of Fines.

1. The amounts of the administrative citation fines for violations of this Chapter shall be set forth in a schedule of fines established by resolution of the City Council.

2. The schedule of fines shall specify any increased fines for repeat violations of the same code provision by the same person or entity.

C. Payment of Fines.

1. Fines shall be paid to the City within thirty (30) days from the date of the administrative citation.

2. Any administrative citation fine paid shall be refunded if it is determined, after an appeal hearing, that a person or entity charged in the administrative citation was not responsible for the violation or that there was no violation as charged in the citation.

3. Payment of a fine under this Chapter shall not excuse, discharge, or permit any continuation or repeated occurrence of the code violation that is the subject of the administrative citation.

D. Hearing Request.

1. Any recipient of an administrative citation may appeal the citation by submitting a written request for hearing to the City Clerk or designee within thirty (30) days from the date of the administrative citation, together with an advance deposit of the fine and appeal fee.

2. If the Chief of Police, his/her designee, or a code enforcement officer submits an additional written report concerning the administrative citation to the hearing body, then a copy of such report shall be served on the person requesting the hearing at least five (5) days prior to the date of the hearing.

G. Hearing Procedure.

1. The appeal procedures described in Section 5.68.170 shall apply to appeals involving administrative citations.

2. No hearing to contest an administrative citation shall be held unless the fine has been deposited with the city in advance.

3. At the hearing, the party contesting the administrative citation shall be given the opportunity to testify and to present evidence concerning the administrative citation.

4. The administrative citation and any additional report submitted by the Chief of Police, his/her designee, or a code enforcement officer shall constitute prima facie evidence of the respective facts contained in those documents.

5. The hearing body may continue the hearing and request additional information from the Chief of Police, his/her designee, code enforcement officer, or the recipient of the administrative citation prior to issuing a written decision.

H. Hearing Body's Decision.

1. After considering all of the testimony and evidence submitted at the hearing, the hearing body shall issue a written decision to uphold, modify, or cancel the administrative citation and shall list in the decision the reasons for the decision. The decision of the hearing body shall be final.

2. If the hearing body determines that the administrative citation should be upheld, then the fine amount on deposit with the City shall be retained by the City.

3. If the hearing body determines that the administrative citation should be canceled, then the City shall promptly refund the amount of the deposited fine.

4. If the hearing body determines that the fine levied under the administrative citation should be adjusted, then the City will promptly refund the amount of the deposited fine that exceeds the amount fixed by the hearing body or the recipient of the administrative citation will promptly pay to the City an additional amount fixed by the hearing body if the body finds that the fine assessed under the administrative citation to be insufficient.

5. The recipient of the administrative citation shall be served with a copy of the hearing body's written decision.

I. Late Payment Charges. Any person or entity who fails to pay to the City any fine imposed or amount owed pursuant to the provisions of this Chapter on or before the date that the fine or amount is due shall also be liable for a late payment charge equal to ten percent (10%) of the unpaid amount, and interest shall accrue thereafter at a rate of one and one-half percent (1.5%) per month on the unpaid fine; provided however, the additional penalty and/or interest shall not apply if collection of the same by the City would violate state law.

J. Recovery of Administrative Citation Fines and Costs. Any person or entity who violates this Chapter shall be responsible for the enforcement costs incurred by the City with respect to such violation. The City may collect any past due administrative citation fines, enforcement and collection costs, and late payment charges by use of all available legal means, including, without limitation, the lien procedures identified in Sections 17.94.180 and 17.94.190 of this Code, which are incorporated herein by reference. Collection costs shall be in addition to any interest and/or late charges imposed upon the delinquent obligation and shall be added to and become a part of the underlying obligation. Any partial payment of an obligation, when a partial payment is permitted, will be applied first to the principal amount of the underlying obligation, then to any penalties, and then to interest.

K. Right to Judicial Review. Any person or entity aggrieved by a decision of the hearing body on an administrative citation may obtain review of the decision by filing a petition for review with the Superior Court for Kings County, California in accordance with the timelines and provisions set forth in California [Government Code](#) Section 53069.4, as may be amended.

L. Notices. The administrative citation and all notices required to be given by this Chapter shall be served by personal delivery thereof to the person or entity to be notified or by deposit in the United States mail, certified mail with return receipt requested, addressed to such

person to be notified at his/her/its last-known address as the same appears in the public records or other records pertaining to the matter to which such notice is directed. Service by mail shall be deemed to have been completed at the time of deposit in the mail

5.68.290. Remedies cumulative and not exclusive.

The remedies provided herein are not to be construed as exclusive remedies. The City is authorized to pursue any proceedings or remedies provided in law or equity.

Section 2: The City Council finds that the adoption of this ordinance is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to the following sections of the CEQA Guidelines, 14 Cal. Code of Regulations, Chapter 3.

A. The ordinance is exempt under Section 15061(b) (3) because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. Commercial hemp businesses and retailers will have no impacts that are different than the farming, manufacturing, distribution, laboratory, delivery, and sales activities already authorized within the city. Furthermore, the city's Municipal Code contains requirements that prevent any potential impacts on the environment that may be unique to commercial hemp businesses. For example, the ordinance establishes prohibitions on nuisance odors, glare, excess energy usage, and establishes safety protections to prevent crime or deterioration of the business area into blight, and prohibition on usages of hazardous chemicals except for those usages that are consistent with state standards for those chemicals. Further, there is no possibility that this ordinance would create cumulative impacts that are significant because this ordinance does not authorize a total number of businesses in the city than would have been otherwise authorized, does not authorize construction or other related activities or any other activities that are not already permitted; there are no other significant impacts that could occur as a result of this ordinance, and there are no unusual circumstances that would cause any such significant impacts.

B. The ordinance is also exempt under Section 15183 (projects consistent with a community plan, general plan, or zoning) since the types of businesses permitted by the ordinance are consistent with those contemplated by general plan and zoning, such as farming, manufacture, retail and distribution of other agriculture products.

Section 3. This Ordinance shall become operative as of the date on which a state plan for California is approved pursuant to Section 297B of the federal Agricultural Marketing Act of 1946 (added by Section 10113 of the federal Agricultural Improvement Act of 2018 (Public Law 115-334); provided however, this Ordinance shall become effective no earlier than thirty (30) calendar days from the date on which it is adopted by the Hanford City Council. This Ordinance shall be published once in the Hanford Sentinel within fifteen (15) days after its passage or a summary of this ordinance shall be published in the Hanford Sentinel in a manner consistent with the requirements of the California Government Code.

THEREFORE, BE IT FURTHER RESOLVED, that based on the above and incorporated findings, the City Council approves Ordinance 20-__.

PASSED, ADOPTED AND APPROVED this ____ day of _____, 202__ by the following vote:

AYES: _____
 NOES: _____
 ABSTAIN: _____
 ABSENT: _____

 MAYOR of the City of Hanford

Attest:

 NATALIE CORRAL
 CITY CLERK

STATE OF CALIFORNIA)
 COUNTY OF KINGS) ss
 CITY OF HANFORD)

I, Natalie Corral, City Clerk of the City of Hanford, do hereby certify the foregoing Ordinance was duly passed and adopted at a regular meeting of the City Council of the City of Hanford held on the ____ day of _____, 202__.

Date: _____

 City Clerk

Notice of Exemption 2021-63

To: ☐ Office of Planning and Research
P.O. Box 3044, Room 212
Sacramento, CA 95812-3044

☒ County Clerk
County of Kings
Kings County Government Center
Hanford, CA 93230

From: City of Hanford
317 North Douty Street
Hanford, CA 93230

Project Title: Municipal Code Amendment 2020-03

Project Location – City of Hanford

Project Location – City: Hanford **Project Location – County:** Kings County

Description of Nature, Purpose and Beneficiaries of Project: a request by the City of Hanford to amend Title 17, Section 17.08.030 – Commercial, Office, and Industrial Zone Use Table of the Hanford Municipal Code by adding Commercial Hemp Business (e.g., cultivation, manufacture, distribution, transportation, and lab testing) as a conditionally permitted use in the I-L Light Industrial and I-H Heavy Industrial zone district, and to add Hemp retailers (5% or more of a retailer's business or gross receipts is derived from CBD sales) as a permitted use in C-S Service Commercial, C-H Highway Commercial, MX-C Corridor Mixed Use, and MX-D Downtown Mixed Use, and as a conditionally permitted use in C-R Regional Commercial. The amendment also includes an addition of Chapter 17.67, adding purpose and intent, definitions, and establishing the location of hemp retailers and commercial hemp businesses in the City of Hanford.

Name of Public Agency Approving Project: City of Hanford, Planning Division

Name of Person or Agency Carrying Out Project: City of Hanford

Exempt Status: **(check one)**

- ☐ Ministerial (Sec. 21080(b)(1); 152698);
☐ Declared Emergency (Sec. 21080(b)(3); 15269 (a));
☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
☐ Categorical Exemption: State type and section number:
☒ Statutory Exemption. State code number: 15061(b)(3) General Rule; 15183 Projects Consistent with a Community Plan, General Plan, or Zoning

Reasons why project is exempt:

The City of Hanford determined the project to be exempt from environmental review pursuant to Section 15061(b)(3) of the California Environmental Quality Act (CEQA). Section 15061(b)(3) states that where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. No significant environmental impacts would occur as a result of the proposed ordinance. The ordinance is also exempt under Section 15183 Projects Consistent with a Community Plan, General Plan, or Zoning, since the types of businesses permitted by the ordinance are consistent with those contemplated by the General Plan and Zoning, such as farming, manufacture, retail and distribution of other agricultural products.

Lead Agency

Contact Person: Gabrielle Myers Area Code/ Telephone: (559) 585-2578

Signature: _____ Date: July 8, 2021 Title: Senior Planner

- ☒ Signed by Lead Agency Date received for filing at OPR: _____
☐ Signed by Applicant

Attachment: Attachment 2 - Notice of Exemption (MCA 2020-03)